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By Email

March 21, 2017

President Donald Trump
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Trump:

We write today to encourage the Administration to enter into a bold new initiative to leverage \$10 billion in private sector financing to improve critical federal infrastructure. This initiative would reduce government spending at federal facilities, create jobs and is budget neutral.

Energy Savings Performance Contracts (ESPCs) and Utility Energy Service Contracts, known collectively as *performance contracts*, enable federal agencies to procure energy savings and facility improvements with no up-front capital costs or appropriations from Congress. Financed and implemented through the private sector, ESPCs reduce energy and operating costs, address maintenance backlogs, and repair or replace aged and failing equipment in federal buildings. The government pays back private partners, over time, with actual savings generated by infrastructure upgrades.

The last four administrations have leveraged ESPCs to provide budget-neutral energy infrastructure upgrades to civilian and defense facilities. These projects have reduced government waste and have cut federal electricity and utility bills, delivering more than \$12 billion of cumulative energy cost savings to the federal government. We see tremendous potential for the Trump Administration to expand upon this success.

A focus on federal performance contracts is a cost-neutral strategy to deploy several of the Administration's economic goals. Performance contracts are public private partnerships that can update federal infrastructure, deliver resiliency and energy security, enhance military readiness and reduce the federal budget. ESPCs also provide local and non-exportable jobs and rely on private sector ingenuity and innovation.

This \$10 billion initiative to utilize federal performance contracting through 2020 would create 95,000 direct and indirect jobs, including 35,000 equipment manufacturing jobs and 40,000 local subcontractor and installer jobs. This would be a win-win-win partnership that creates American jobs, stimulates domestic manufacturing and delivers cost savings to taxpayers.

While ESPCs and UESCs are authorized by law, their use is almost entirely driven by executive branch and agency leadership and commitments which we think deserve your continued support. For the last two administrations, there have been high-level efforts to build on these commitments. President George W. Bush, for example, undertook tracking mechanisms and raised encouragement to a secretarial activity at the Department of Energy, led by Energy Secretary Bodman.

We urge you and others in this Administration to embrace a performance contracting initiative to ensure \$10 billion in private sector funds are invested to help address our aging federal infrastructure. It can achieve energy cost savings, increase government facility resiliency and security and reduce the need for appropriated dollars for infrastructure improvements. In fact, we believe that this Administration is ideally positioned to use performance contracting to the maximum extent possible to eliminate waste in our federal facilities. We look forward to working with you to ensure success of this valuable tool. Please contact Jennifer Schafer, Executive Director of the Federal Performance Contracting Coalition for additional information (jasca@cascadeassociates.net).

Sincerely,

AECOM

AMERESCO



ESG ENERGY SYSTEMS GROUP

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LOCKHEED MARTIN



NORESOCO
United Technologies

Life Is On

Schneider Electric

SIEMENS



TRANE

cc: Mick Mulvaney, Director, Office of Management and Budget
Rick Perry, Secretary, Department of Energy
James Mattis, Secretary, Department of Defense
Mike Catanzaro, Energy Advisor